

<b><u>Charter of Audit Committee</u></b>	
<b>Formation</b>	<p>GCPL's Audit Committee has been formed on April 28, 2001.</p> <p>The terms of reference of the Committee were amended on February 1, 2014, April 28, 2014 and January 29, 2019 in order to bring in line with the amendments to Companies Act, 2013 and Rules made thereunder/Listing Regulations.</p>
<b>Composition</b>	<p>The Committee shall consist of atleast 3 directors and two-thirds of the members of the Committee shall be independent directors.</p> <p>All the members of the Committee shall be financially literate and at least one member shall have accounting or related financial management expertise.</p> <p><i>Explanation (1).- For the purpose of this regulation, "financially literate" shall mean the ability to read and understand basic financial statements i.e. balance sheet, profit and loss account, and statement of cash flows.</i></p> <p><i>Explanation (2).- For the purpose of this regulation , a member shall be considered to have accounting or related financial management expertise if he or she possesses experience in finance or accounting, or requisite professional certification in accounting, or any other comparable experience or background which results in the individual's financial sophistication, including being or having been a chief executive officer, chief financial officer or other senior officer with financial oversight responsibilities.</i></p> <p>GCPL Audit Committee comprises of all the Independent Directors as under:</p> <ol style="list-style-type: none"> <li>1. Mr. Aman Mehta (Chairman of the Committee)</li> <li>2. Mr. Narendra Ambwani</li> <li>3. Mr. Omkar Goswami</li> <li>4. Ms. Ireena Vittal</li> <li>5. Ms. Ndidi Nwuneli</li> <li>6. Ms. Pippa Armerding</li> <li>7. Mr. Sumeet Narang</li> <li>8. Mr. Pirojsha Godrej</li> </ol> <p>The Company Secretary shall act as the Secretary to the Committee</p>
<b>Meeting</b>	<p>The Audit Committee shall meet at least four times in a year and not more than one hundred and twenty days shall elapse between two meetings.</p>
<b>Quorum</b>	<p>The quorum for the meeting shall be 2 members or 1/3<sup>rd</sup> of the total members of the Committee whichever is more.</p>
<b>Terms of reference :</b>	<p>The terms of reference for the Audit Committee includes the matters specified in Section 177 of the Companies Act, 2013 as well as Part C of Schedule II of Listing Regulations such as:</p> <p><b>Financial Statements:</b></p> <ul style="list-style-type: none"> <li>• Oversight of the Company's financial reporting process and disclosure of its financial information to ensure that the financial statement is correct, sufficient, and credible;</li> </ul>



- Reviewing, with the management, the annual financial statements and auditor’s report thereon before submission to the Board for approval, with particular reference to:
  - (a) Matters required to be included in the Director’s responsibility statement to be included in the Board’s report in terms of clause (c) of sub- section (3) of Section 134 of the Companies Act, 2013;
  - (b) changes, if any, in accounting policies and practices and reasons for the same;
  - (c) major accounting entries involving estimates based on the exercise of judgment by management;
  - (d) significant adjustments made in the financial statements arising out of audit findings;
  - (e) compliance with listing and other legal requirements relating to financial statements;
  - (f) disclosure of any related party transactions;
  - (g) modified opinion(s) in the draft audit report;
- Reviewing, with the management, the quarterly financial statements before submission to the Board for approval;
- Scrutiny of intercorporate loans and investments.

**Review of Information:**

- Reviewing, with the management, the statement of uses / application of funds raised through an issue, such as public, rights, or preferential issues, the statement of funds utilised for purposes other than those stated in the offer document / prospectus / notice, and the report submitted by the monitoring agency monitoring the utilisation of proceeds of a public or rights issue, and making appropriate recommendations to the Board to initiate steps in this matter;
- Reviewing the management discussion and analysis of financial condition and results of operations;
- Statement of deviations:
  - quarterly statement of deviation(s) including report of monitoring agency, if applicable, submitted to stock exchange(s) in terms of Regulation 32(1) of the Listing Regulations.
  - annual statement of funds utilized for purposes other than those stated in the offer document/prospectus/notice in terms of Regulation 32(7) of the Listing Regulations.

**Internal Control**

- Reviewing, with the management, performance of statutory and internal auditors, and adequacy of the internal control systems;
- Evaluation of internal financial controls and risk management systems;
- Reviewing the findings of any internal investigations by the internal auditors into matters where there is suspected fraud or irregularity, or a failure of internal control systems of a material nature, and reporting the matter to the Board.



	<p><b>External and Internal Audit</b></p> <ul style="list-style-type: none"><li>• Recommendation for appointment, remuneration, and terms of appointment of auditors of the Company;</li><li>• Approval of payment to statutory auditors for any other services rendered by the statutory auditors;</li><li>• Reviewing of management letters/letters of internal control weakness issued by the statutory auditors;</li><li>• Reviewing the appointment, removal and terms of remuneration of the chief internal auditor;</li><li>• Reviewing the adequacy of internal audit function, if any, including the structure of the internal audit department, staffing and seniority of the official heading the department, reporting structure coverage and frequency of internal audit;</li><li>• Reviewing internal audit reports relating to internal control weakness;</li><li>• Discussion with internal auditors of any significant findings and follow up thereon;</li><li>• Discussion with statutory auditors before the audit commences, about the nature and scope of audit as well as post-audit discussion to ascertain any area of concern;</li><li>• Reviewing and monitoring the auditor’s independence and performance, and effectiveness of audit process;</li><li>• Periodical discussions with the auditors about internal control systems, the scope of audit including the observations of the auditors and review the quarterly, half yearly and annual financial statements before submission to the Board and also oversee compliance of internal control systems.</li></ul> <p><b>Subsidiary Companies</b></p> <ul style="list-style-type: none"><li>• The Committee shall have access to the audit committee minutes of the subsidiary companies;</li><li>• Reviewing the financial statements, in particular the investments made by the subsidiary companies;</li><li>• Recommending the revision in Policy for determining material subsidiaries to align it with the extant applicable provisions;</li><li>• Reviewing the utilization of loans and/or advances from/investment in the subsidiary exceeding INR 100 Crore or 10 per cent of the asset size of the subsidiary whichever is lower including existing loans and advances.</li></ul>
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	<p><b>Related Party Transactions</b></p> <ul style="list-style-type: none"><li>• Approval or any subsequent modification of transactions of the Company with related parties;</li><li>• Formal approval or Omnibus approval of transactions with related parties or any subsequent modification of transactions of the Company with related parties including their basis;</li><li>• Laying down criteria for granting omnibus approval to related party transactions;</li><li>• Satisfy itself of the need for omnibus approval of related party transaction and that the approval is in the interest of the Company;</li><li>• Granting omnibus approval for related party transactions not exceeding Rs.1 crore per transaction in a financial year;</li><li>• Reviewing on quarterly basis, the statement of such significant related party transaction as may be specified by the Committee, and the details of Related Party Transactions entered into by the Company pursuant to each of the omnibus approval given;</li><li>• Recommend the revision in Policy on material related party transactions and also on dealing with Related Party Transactions, to align it with the extant applicable provisions.</li></ul> <p><b>Compliance</b></p> <ul style="list-style-type: none"><li>• Looking into the reasons for substantial defaults in the payment to the depositors, debenture holders, shareholders (in case of non-payment of declared dividends) and creditors; if any;</li><li>• Reviewing the effectiveness of the system for monitoring compliance with laws and regulations and the results of Management's investigation and follow-up (including disciplinary action) of any instances of non-compliance;</li><li>• Reviewing the findings of any examinations by regulatory agencies, and any auditor observations;</li><li>• Reviewing the process for communicating the Code of Conduct to Company personnel, and for monitoring compliance therewith;</li><li>• Reviewing compliance with respect to the provisions of Insider Trading Regulations at least once in a financial year and verify that the systems for internal control for compliance with these regulations are adequate and operating effectively;</li><li>• Obtaining regular updates from the Management regarding compliance matters.</li></ul>
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	<p><b>Other Responsibilities</b></p> <ul style="list-style-type: none"> <li>• Reviewing the functioning and compliances as regards the Company’s Whistle Blower Policy;</li> <li>• Approval of the appointment of Chief Financial Officer after assessing the qualifications, experience, and background of the candidate;</li> <li>• Valuation of undertakings or assets of the Company, wherever it is necessary by appointing a Registered Valuer in terms of Sec. 247 of the Companies Act, 2013;</li> <li>• Instituting and overseeing special investigations as needed;</li> <li>• Performing any other functions and activities related to this terms of reference as requested by the Board of Directors;</li> <li>• Performing any other functions as required to be done by the Audit Committee as per the provisions of the Companies Act, 2013, the Listing Regulations and any other laws or regulations from time to time.</li> </ul>
<p><b>Reporting Responsibilities</b></p>	<ul style="list-style-type: none"> <li>• The Audit Committee will update the Board periodically.</li> <li>• The Chairperson of the Audit Committee shall be present at the Annual General Meetings to answer shareholder queries and clarification on matters relating to audit;</li> <li>• The recommendations of the Audit Committee on any matter relating to financial management including the audit report, shall be binding on the Board. If the Board does not accept the recommendations of the Audit Committee, it shall record the reasons therefor and communicate such reasons to the shareholders.</li> </ul>
<p><b>Powers of the Committee</b></p>	<p>The Audit Committee shall act and have powers in accordance with the terms of reference which shall include the following:</p> <ul style="list-style-type: none"> <li>• Investigate any activity within its terms of reference.</li> <li>• Seek information from any employee relating to its terms of reference.</li> <li>• Obtain outside legal or other professional advice.</li> <li>• Secure attendance of outsiders with relevant expertise, if it considers necessary.</li> <li>• Have full access to information contained in the records of the Company.</li> <li>• Approve fees and expenses related to non-audit services provided by auditors, as may be required by the regulatory authorities.</li> </ul>